



State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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Division Director

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Governor

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Lieutenant Governor

November 17, 2006

Terry Sykes
Grand County Water Conservancy District
3025 East Spanish Trail Road
P. O. Box 1046
Moab, Utah 84532

Subject: Summary of Surety Requirements in Response to June 8, 2006, Letter, Grand County Water Conservancy District, Spanish Valley Clay Mine, M0370060, San Juan County, Utah

Dear Mr. Sykes:

Thank you for your inquiries responding to the Division letter dated June 8, 2006. This letter provided information about the recent rule changes resulting in reclamation surety requirements for small mines and exploration projects within the state of Utah.

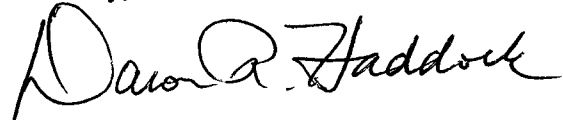
It has been determined the required bond amount for your site is \$10,000.00. An overview of the various reclamation surety bond options was provided to you, as well as the benefits and disadvantages of each. Please contact Beth Ericksen, bonding coordinator, for information about submitting the surety and associated reclamation contract. She can provide you with the forms that will be needed for the type of surety you choose. She can be reached at 801-538-5318 or by e mail at bethericksen@utah.gov.

As a reminder, the deadline to complete this process (approved reclamation surety and reclamation contract) is December 8, 2006. If you need additional time, please request an extension of the deadline.

Terry Sykes
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The Division appreciates your attentiveness and responsiveness to the rule changes that have occurred resulting in this reclamation surety requirement. If you have any questions or require discussion regarding the content of this letter, please contact Beth Ericksen at the phone number or e mail address listed above.

Sincerely,

A handwritten signature in black ink that reads "Daron Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly legible.

Daron Haddock
Permit Supervisor
Minerals Regulatory Program

SMW:PBB:pb

cc: Beth Ericksen, DOGM

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